THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) Yes, Sir.

(b) At present there is no decision to set up a new defence production unit.

Coal Scam

2175. SHRIMATI SAROJ DUBEY: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact the supply of coal meant for soldiers on the LoC in Jammu and Kashmir has been siphoned for the last two years by the private coal traders with the connivance of the local police and the army personnel in the State;

(b) if so, the details thereof;

(c) whether any independent enquiry has been made into this coal scam; and

(d) if so, the details of arrests made so far and further action taken against those found involved therein?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) On 11.2.2003 a news-item was published in The Indian Express based on the information from civil police, who had found some coal dumps outside the kilns in Kupwara. It was assumed by the police that the coal was meant for the Army. The coal was being carried in civil vehicles and not in Army vehicles. The Army has asked the civil police to provide the vehicle registration numbers to enable the Army to check if the vehicles were carrying coal for the Army. In case any involvement of Army is established, necessary action to hold Court of Inquiry and to punish the guilty will be taken.

Procurement of aircrafts for the Movement of VIPs

2176. SHRI K.B. KRISHNA MURTHY: Will the Minister of DEFENCE be pleased to state:

(a) whether Government are considering the bid of Embraer of Brazil for the supply of 5 small aircrafts for the movement of VIPs;

(b) if so, whether the rival French and Canadian bidders have alleged foul play on the evaluation of bids and if so, the details thereof; and

(c) whether the selection of Embraer is solely based on price considerations and whether technical superiority of other bids has also been taken into account?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) Yes, Sir.

(b) Only the Canadian firm had made a representation for re-evaluation of their aircraft Challenger 604 and the Canadian Special Edition. The Challenger 604 had earlier not been considered as it did not meet the laid down technical specifications. The firm had not offered the Canadian Special Edition in response to the tender. Hence only the Global Express of the Canadian firm was considered. Re-evaluation after opening of the commercial bids could not be agreed to.

(c) The aircrafts offered and short-listed after technical evaluation i.e. the French, Canadian and Brazilian firms were compared only on the commercial bids and the final selection of M/s. Embraer was done on the basis of the lowest price.

Demand for closure of DRDO

†2177. SHRIMATI SAROJ DUBEY:
SHRI MOOLCHAND MEENA:

Will the Minister of DEFENCE be pleased to state:

(a) whether experts have demanded for closure of Defence Research and Development Organisation; and

(b) if so, the reasons therefor?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) No, Sir.

(b) Does not arise.

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†Original notice of the question was received in Hindi.